

Memorandum

To: Panel Members Date: September 26, 2001

From: Ron Tagami, Manager
Peter DeMauro, General Counsel File: CareerPart100.130agr

Subject: One-Step Agreement for **West San Gabriel Valley Consortium dba Career Partners**
www.yourworkforcesolution.com

CONTRACTOR:

- Multiple Employer: Grant Recipient
- Training Project Profile: Retraining: companies w/out-of-state competition & Training in High Unemployment Areas of CA
- Legislative Priorities: Moving to a High Performance Workplace
Promotion of California's Manufacturing Workforce
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Union Representation: Yes
- Name and Local Number of Union representing workers to be Trained: Project may serve both union and non-union employers.

CONTRACT:

- Program Costs: \$183,840
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$12,640
- Total ETP Funding: \$196,480
- In-Kind Contribution: \$406,577
- Maximum Contractor Charge: N/A per trainee
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles, Orange, Riverside, San Bernardino
- Duration of Agreement: 24 months

TRAINING PLAN:

- | | | |
|--|--|------------------|
| • Average Cost Trainee: | New Hire: \$0 | Retrainee: \$936 |
| • Type(s) of Training: | Continuous Improvement, Manufacturing Skills, Business Skills, Management Skills, Computer Skills, and Literacy Skills | |
| • Number to be retained: | New Hire: 0 | Retrainee: 210 |
| • Range of hours: | 72-84 | |
| • Prevalent hourly wage: | \$17.24 | |
| • Range of hourly wages: | \$7.61 to \$34.00 | |
| • Health benefits used to meet ETP minimum wage: | Yes. Health benefits may be added to reach the ETP minimum wage for Los Angeles and Orange Counties (\$11.54/hr.), which will also be used for Riverside and San Bernardino Counties; and \$7.61/hr. for all Areas of High Unemployment. | |

SUBCONTRACTORS:

Kirkpatrick Enterprises, Inc., Granada Hills, California, amount to be determined for Continuous Improvement, Manufacturing, Business & Management skills training.

Encore Language Training Services Inc., Burbank, California, amount to be determined f for Vocational English as a Second Language training.

Starlight Education, Inc., Irvine, California, amount to be determined for Computer Skills training.

THIRD PARTY SERVICES:

Kirkpatrick Enterprises Inc. (K.E.I.) completed the application for ETP funds. Applicant states that there was no reimbursement for these services.

NARRATIVE:

The West San Gabriel Valley Consortium dba Career Partners (CP) is a One-Stop Center that provides services to employers and job seekers under the Workforce Investment Act. This Contractor is eligible to provide ETP training under the Unemployment Insurance Code, Section 10205(c) (4) as a grant recipient or administrative entity selected pursuant to the federal Workforce Investment Act of 1998, with the approval of the local workforce investment board and the appropriate local elected officials.

Career Partners, founded in 1976, is located in Rosemead with a satellite office in the City of Commerce. The consortium is currently comprised of ten cities (Alhambra, Bell, Bell Gardens, Commerce, Montebello, Monterey Park, Rosemead, San Gabriel, Temple City and Vernon), and two school districts (Alhambra and Montebello Unified). CP provides a comprehensive system of training, placement, and career planning for jobseekers, as well as services for businesses and employers, such as human resources and consulting services, labor market information, and economic development resources (seminars and

NARRATIVE: (continued)

workshops). CP is also actively involved in Welfare to Work programs and closely partners with Los Angeles County's CalWorks and GAIN programs.

CP is governed by an Executive Board comprised of representatives from its twelve members. The Board meets once a month and has overall responsibility for program issues and the allocation of funds. An Advisory Council (made up of representatives from public and private entities and the One-Stop Partners Strategic Planning Committee) provides guidance and oversight for all activities and programs. Program funding is derived from the Workforce Investment ACT as administered through the Los Angeles County Department of Community and Senior Services. These funds primarily support the adult and youth employment training programs and serve as the foundation of Career Partners' activities. Teaming with CP in these endeavors are the state's Employment Development Department, the County's Department of Public Social Services, the State Department of Rehabilitation, Money Management International credit counselors, the American GI Forum, the National Council on the Aging, the Job Corps, adult schools and local community colleges, and Community Service Block Grant and Native American programs.

CP's primary mission is to find creative workforce solutions, teaming with job seekers and employers to train and place unemployed workers; they do not currently provide retraining services for incumbent workers. However, due to current economic conditions, the consortium is finding a growing need for retraining for businesses in the San Gabriel Valley and outlying areas as well. The majority of these businesses are small manufacturing firms with between 10 and 150 employees. They are facing increased competition from out-of-state and foreign organizations, demands from customers for improved service, and reduced prices and product lead times.

As a result, employers are attempting to transition to a high-performance workplace to stay competitive, avoid workforce reductions, and provide long term job security for their workers. They must, however, retrain their employees in the skills needed to take a more proactive stand towards reducing waste and increasing customer satisfaction. Therefore, this Agreement was designed to retrain employees of small, medium, and larger manufacturing companies to improve productivity, quality, efficiency and reduce waste in their manufacturing processes and procedures, and to improve internal and external customer service. Employees will receive training in one or more of the following areas:

- Continuous Improvement (Team Building, Problem Solving, Decision Making, Time Management, and Lean Manufacturing);
- Manufacturing Skills (Advanced Shop Math, Blueprint Reading, Gages and Calibration, Data Collection, and Variance Calculations);
- Business Skills (Project Management, Communication Skills, and Customer Service);
- Management Skills (Basic and Advanced Supervision Principles and Techniques);
- Computer Skills (Microsoft Office programs); and
- Literacy Skills (VESL) for those with language barriers.

NARRATIVE: (continued)

The majority of the training will be for employees who meet ETP's minimum wage requirements. However, some companies are located in areas of high unemployment and some employees are considered "working poor" because they earn low wages in dead-end jobs and lack the essential job skills necessary to improve their employment and advancement opportunities. For companies in the cities of Bell, Bell Gardens, Commerce, and Rosemead, Career Partners will focus on workers with lower educational levels and limited literacy skills to provide advancement opportunities.

All training will be conducted at the employer worksite. Career Partners is solely responsible for marketing this program to its clients and for project administration.

Employer Demand

Career Partners meets individually and collectively with employers, unions and Chambers of Commerce on a regular basis to market its programs and gather information concerning the needs of the communities and businesses it serves. Monthly Chamber meetings and special events (job fairs and conferences) provide CP with a forum to present its business and community services and to gain valuable program input from local representatives. Marketing is done primarily to CP's member communities, but it is not restricted. In addition, a network of public kiosks connects both employers and workers to their Website where they can search for business, training and supportive services, look for jobs, or access the vast resources available on the Internet.

CP's Business Services Unit also provides marketing and outreach directly to individual employers. They meet with the owners or HR representatives to discuss programs and evaluate the employer's training needs and resources. A business assessment sheet is completed for each company visited. From these assessments and information gathered from community activities, CP determines training needs and meets with various training organizations to develop appropriate curricula.

Employers who wish to participate in ETP training will undergo a needs assessment and review the curricula, which will be further customized to meet their particular goals and objectives. Once training begins, employers will provide verbal and written feedback to CP on the effectiveness of the program and need for adjustments. Upon completion of training, employers and trainees will participate in a post-testing and evaluation process to fully assess the impact of training.

Supplemental Nature of Training

Most of the employers who will be involved in the program have never offered customized, on-site training for their employees, but recognize the need. These companies typically offer sporadic, informal on-the-job training, tuition reimbursement for seminars, safety training or new hire orientation, and some human resources classes in sexual harassment prevention, conflict resolution and cultural diversity, generally to a limited audience. The proposed ETP-funded training will be specific to individual company goals and training requirements and help workers incorporate new skills into their day-to-day jobs. None of the training that will be provided through ETP has been given previously or will replace training already provided by the participating companies. This program will allow companies to train a larger number of workers than would otherwise be possible without ETP funding.

NARRATIVE: (continued)

In-Kind Contribution

The participating employers in this Agreement will make in-kind contributions of approximately \$406,577 which includes \$287,614 for trainee wages paid during training and \$118,963 for project development and training needs assessments, facilities and equipment usage, literacy training assessments, and lost production time while workers are in training.

COMMENTS

The Contractor has created Job #s 3 and 4 to use exclusively for training employees of companies located in a county or area that has an unemployment rate that exceeds the state average rate by 50 percent or more. The trainees also qualify as the working poor. The Contractor is requesting a waiver to the ETP minimum wage requirement at retention as is allowable in the Unemployment Insurance Code, Section 10201.5. In addition, the post-retention wage of each trainee trained in one of these Job #s will exceed the wage before and during training by 5 percent (\$7.25/hr. during training + 5% increase = \$7.61/hr. at the end of the retention period).

Classes will be comprised of 100 percent ETP trainees.

PROPOSED ACTION:

Staff recommends that the Panel approve the One-step Agreement and the request for a waiver to the ETP minimum wage for trainee in high unemployment areas, if funding is available and the project meets the Panel priorities. This recommendation is based on Career Partners' stated need for each participating employer to provide employees with the skills needed to transition to a high performance workplace, to promote and increase employee wages, and/or avoid future layoffs caused by outdated technologies and operating procedures. Training will assure each company's ability to remain competitive and grow in California.

Contractor: West San Gabriel Valley Consortium dba Career Partners

Training Data									(c) Payment Schedule				
1	2	3	4	5 (a) Cls/Lab Video- conf.	6	7	8	9	10	11	12	13	14 (d) Wage After Reten-
Job #	Occupations	Type of Training	No. Retain	Hours	CBT Hours	(b) SOST Hours	Cost Per Trainee	Total SOST Trainer Hrs.	Hrs. to Enroll/ Pay 1 Enroll	Pay 2 Compl	Pay 3 Hired	Pay 4 After 90 Days	
1	Manager, Supervisor, Production & Assembly, Production Support, Clerical & Accounting, Engineering, Customer Service, Driver	Multiple-Employer Retrainees	65	48		24	\$872	156	8	\$ 218.00	\$ 436.00	\$ - \$ 218.00	*\$11.54- \$34.00
687		Trainees will receive one or more of the following: Continuous Improvement Manufacturing Skills Business Skills Management Skills Computer Skills		48		24		156					
2	Manager, Supervisor, Production & Assembly, Production Support, Clerical & Accounting, Engineering, Customer Service, Driver	Multiple-Employer Retrainees	40	60		24	\$1,039	96	8	\$ 259.75	\$ 519.50	\$ - \$ 259.75	*\$11.54- \$34.00
687		Trainees will receive one or more of the following: Continuous Improvement Manufacturing Skills Business Skills Management Skills Computer Skills Literacy Skills		60		24		96					

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Training Data									(c) Payment Schedule				
1	2	3	4	5 (a) Cls/Lab Video- conf. Hours	6 CBT Hours	7 (b) SOST Hours	8 Cost Per Trainee	9 Total SOST Trainer Hrs.	10 Hrs. to Enroll/ Pay 1 Enroll	11 Pay 2 Compl	12 Pay 3 Hired	13 Pay 4 After 90 Days	14 (d) Wage After Reten- tion
Job #	Occupations	Type of Training	No. Retain										
HIGH UNEMPLOYMENT/ WORKING POOR													
3	Production & Assembly, Clerical, Customer Service	Multiple-Employer Retraitees	65	48		24	\$872	156	8	\$ 218.00	\$ 436.00	\$ -	\$ 218.00
679		<i>Trainees will receive one or more of the following: Continuous Improvement Manufacturing Skills Business Skills Computer Skills</i>		48		24		156					*\$7.61- \$11.03
HIGH UNEMPLOYMENT/ WORKING POOR													
4	Production & Assembly, Clerical, Customer Service	Multiple-Employer Retraitees	40	60		24	\$1,039	96	8	\$ 259.75	\$ 519.50	\$ -	\$ 259.75
679		<i>Trainees will receive one or more of the following: Continuous Improvement Manufacturing Skills Business Skills Computer Skills Literacy Skills</i>		60		24		96					*\$7.61- \$11.03

Contract Totals

Program Cost		\$183,840	Total to be Retained	210
Substantial Contribution (0%)	(-)	\$0		
Multiple-Empl. Support (8%)	(+)	\$12,640		
TOTAL ETP Funding	(=)	\$196,480		

Contractor: West San Gabriel Valley Consortium dba Career Partners

Turnover Rate	% of Mgrs. & Sups. to be trained		Health Benefits Inc. in Wage?		
20.0%	**		*Yes		

Location of training: All training will be held on the participating employers' premises during work hours.

Ratios: The ratio of trainers to retrainees for class/lab training shall not exceed 1:20.

If Health Benefits is "YES", please explain:

*Wages will vary by employer. Health benefits may be added to the calculation of a trainee's wages in Job #s 1 & 2 to meet the ETP minimum wage requirements for Los Angeles and Orange Counties (\$11.54/hr.), which will also be the wage used for trainees from Riverside and San Bernardino Counties.

Health benefits may also be added to wages for Job #s 3 & 4, Areas of High Unemployment/Working Poor trainees, in order to meet the minimum wage of \$7.61/hr. for businesses located in areas of high unemployment. As new participating employers are added under this Agreement, a determination of employer eligibility by location will be based on the annual update of the "Targeted High Unemployment Areas in California" prepared by the Employment Development Department.

Other notes:

(d) Wages by occupation after retention for Job #s 1 & 2:

<u>Occupations</u>	<u>Wage Range</u>
Manager, Supervisor	*\$11.54/hr. - \$27.50/hr.
Production & Assembly	*\$11.54/hr. - \$27.50/hr.
Production Support	*\$11.54/hr. - \$27.50/hr.
Clerical & Accounting	*\$11.54/hr. - \$27.50/hr.
Engineering	*\$11.54/hr. - \$34.00/hr.
Customer Service	*\$11.54/hr. - \$17.58/hr.
Driver	*\$12.25/hr. - \$27.50/hr.

(d) Wages by occupation after retention for Job #s 3 & 4:

Wages for Job #s 3 & 4 - Areas of High Unemployment/Working Poor trainees may start at \$7.25/hr. including health benefits. The post-retention wage of each

**Participating Employers in Retrainee/New Hire
Multiplier Employer (MEC) Agreements
(ETP 100B)**

Contractor: West San Gabriel Valley Consortium dba. Career Partners ET02-0135
Reference No. 01-0534 Page No. 1 of 2

Print or Type

Company: M5 Steel
Address: 1450 Mirasol Street #128
City, State, Zip: Los Angeles, California 90023
Contact Person/ Title: John Lucero, General Manager
Telephone Number: (323) 263-9383
Collective Bargaining Agreement(s): None
Total Number of Full-Time Company Employees Worldwide: 74
Estimated number of employees to be retrained or hired under this Agreement: 70

Company: Western Diesel, Inc.
Address: 5141 East Telegraph Road
City, State, Zip: Los Angeles, California 90022
Contact Person/ Title: Harry Nadjarian, President
Telephone Number: (323) 268-3141
Collective Bargaining Agreement(s): None
Total Number of Full-Time Company Employees Worldwide: 15
Estimated number of employees to be retrained or hired under this Agreement: 13

Company: Dojer Industries dba California Sample
Address: 1611 S. Hope Street
City, State, Zip: Los Angeles, California 90015
Contact Person/ Title: Jay Oken Vice President
Telephone Number: (213) 748-6333
Collective Bargaining Agreement(s): None
Total Number of Full-Time Company Employees Worldwide: 124
Estimated number of employees to be retrained or hired under this Agreement: 82

**Participating Employers in Retrainee/New Hire
Multiplier Employer (MEC) Agreements
(ETP 100B)**

Contractor: West San Gabriel Valley Consortium dba. Career Partners ET02-0135
Reference No. 01-0534 Page No.: 2 of 2

Print or Type

Company: Honeywell International
Address: 2525 W. 190th Street
City, State, Zip: Torrance, California 90504
Contact Person/ Title: Charles Choate, Manager of Learning and Development
Telephone Number: (310) 512-2797
Collective Bargaining Agreement(s): None
Total Number of Full-Time Company Employees Worldwide: 125,000
Estimated number of employees to be retrained or hired under this Agreement: 1300

Company: Kal Kan Foods.
Address: 3250 E. 44th Street
City, State, Zip: Vernon, California 90058
Contact Person/ Title: Tracey Marumoto, Training Manager
Telephone Number: (323) 586-4969
Collective Bargaining Agreement(s): None
Total Number of Full-Time Company Employees Worldwide: 600
Estimated number of employees to be retrained or hired under this Agreement: 200

Company: P.L Porter Controls
Address: 6355 De Soto Avenue
City, State, Zip: Woodland Hills, California 91367-2687
Contact Person/ Title: Stan Shor, Director of Training
Telephone Number: (818) 313-6055
Collective Bargaining Agreement(s): None
Total Number of Full-Time Company Employees Worldwide: 215
Estimated number of employees to be retrained or hired under this Agreement: 125